REMARKS

In the Office Action, claims 1-4 were rejected under 35 U.S.C. §102(b) as being anticipated by Sugiyama et al. (U.S. Pat. No. 5,790,745).

The claims are amended as follows:

- (1) Extracted from the first bitstream are information on code amount and information on quantization, as <u>parameters</u> indicating moving-picture coding difficulty, according to the disclosure on page 10, lines 12-16; and
- (2) The amount of quasi-generated codes which is estimated to be required for achieving a given picture quality is obtained per given period, based on a product of the code amount and a quantization level obtained from the information on quantization, according to the disclosure on page 10, lines 28-31.

In Sugiyama et al. (U.S. Pat. No. 5,790,745), such an amount of codes (which may correspond to the claimed quasi-generated codes) is counted by the temporary code amount counter 16, according to the disclosure in column 12, line 63 to column 13, line 3.

The way of obtaining the amount of quasi-generated codes according to amended claims 1 through 4 is completely different from that of Sugiyama et al. Moreover, Sugiyama et al. require temporary coding to obtain the code amount

discussed above whereas the present invention obtains the amount of quasi-generated

codes from the first bitstream already coded, thus not requiring such temporal coding.

As discussed above, it is applicant's position that amended claims 1

through 4 are not anticipated under 35 U.S.C. §102(b) by Sugiyama et al.

Based on the foregoing amendments and remarks, it is respectfully

submitted that the claims in the present application, as they now stand, patentably

distinguish over the references cited and applied by the Examiner and are, therefore,

in condition for allowance. A Notice of Allowance is in order, and such favorable

action and reconsideration are respectfully requested.

However, if after reviewing the above amendments and remarks, the

Examiner has any questions or comments, he is cordially invited to contact the

undersigned attorneys.

Respectfully submitted,

JACOBSON HOLMAN PLLC

400 Seventh Street, N.W.

Washington, D.C. 20004-2201

(202) 638-6666

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JCH/JLS:cri

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